

VZCZCXYZ0000
RR RUEHWEB

DE RUEHBU #0289 0451314
ZNR UUUUU ZZH
R 141314Z FEB 07
FM AMEMBASSY BUENOS AIRES
TO RUEHC/SECSTATE WASHDC 7282
INFO RUEHAC/AMEMBASSY ASUNCION 5932
RUEHBR/AMEMBASSY BRASILIA 5786
RUEHMN/AMEMBASSY MONTEVIDEO 6175
RUEHSG/AMEMBASSY SANTIAGO 0182
RUEHRI/AMCONSUL RIO DE JANEIRO 2151
RUEHSO/AMCONSUL SAO PAULO 3166
RUEAIIA/CIA WASHINGTON DC
RHMFIUU/DEPT OF ENERGY WASHINGTON DC
RUEHRC/DEPT OF AGRICULTURE USD FAS WASHINGTON DC
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC

UNCLAS BUENOS AIRES 000289

SIPDIS

SIPDIS

FOR P - HEIDI BRONKE
WHA FOR A/S SHANNON AND WHA/BSC
FOR E/HST GREG MANUEL AND BRENDA HAENDLER
OES FOR OES/EGC AND OES/PCI
EB FOR EB/ESC/IEC JEFF IZZO

E.O. 12958: N/A
TAGS: [EAGR](#) [ENRG](#) [PREL](#) [ETRD](#) [AR](#)
SUBJECT: PRESIDENT KIRCHNER SIGNS NATIONAL BIOFUEL
PROMOTION LAW ON HEELS OF BURNS/SHANNON VISIT

REF: 06 BUENOS AIRES 00753

11. (U) This message is sensitive but unclassified, and not for Internet distribution.

12. (SBU) Summary: President Kirchner signed an executive order February 9 implementing a national biofuel promotion law that had sat moribund for nine months. The signing came in the evening of a day during which visiting U/S Burns and A/S Shannon had suggested to Argentine ministers the possibility of U.S.-Argentina cooperation on biofuels. The GOA is likely to ask to formalize the biofuels dialogue through the creation of an experts' group on alternative energy that would meet regularly. End Summary.

13. (SBU) U/S Burns's offer of cooperation on biofuels during February 9 meetings with Argentina's chief of cabinet and with the ministers of foreign affairs and planning (septels) appears to have influenced President Kirchner to finally implement a biofuel promotion law that had been passed by Argentina's congress in May 2006 (Reftel). The law, which utilizes tax incentives and mandatory minimum fuel content requirements, aims to spur biofuels research and production in order to better realize Argentina's enormous potential in that area. Kirchner signed the implementation order the evening of February 9.

14. (SBU) Press reports on U/S Burns's trip to Brazil, which immediately preceded the Argentina visit and which featured promises of U.S.-Brazil cooperation on biofuels, worried Argentine officials. Specifically, the GoA feared that a U.S.-Brazil alliance on biofuels that excluded Argentina would make Argentina a less desirable destination for biofuels research and investment, harming Argentina's future competitiveness. That U/S Burns reached out to offer similar cooperation to Argentina calmed those fears and was a "very positive signal," according to Minister Raul DeJean, director of the MFA's Special Technology Group.

15. (SBU) DeJean said the GoA hopes to capitalize on the positive momentum generated by the Burns/Shannon visit by "institutionalizing" the U.S.-Argentina biofuels dialogue.

To that end, the GoA is planning to suggest the creation of a bilateral experts' group on alternative energy sources. The GoA's vision is that the proposed group will meet regularly to share ideas and best practices, according to DeJean.

WAYNE